

SENATE RECORD VOTE ANALYSIS

105th Congress
2nd Session

Vote No. 300

October 6, 1998, 5:41 p.m.
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INTERNET TAX FREEDOM ACT/Mandated Internet Tax Notice

SUBJECT: Internet Tax Freedom Act . . . S. 442. Gregg motion to table the Bumpers amendment No. 3742.

ACTION: MOTION TO TABLE AGREED TO, 71-27

SYNOPSIS: The Finance Committee substitute to S. 442 (both the Commerce Committee and the Finance Committee reported versions of the bill), will impose a 2-year moratorium beginning July 29, 1998 on certain State and local taxation of online services and electronic commerce (the Commerce Committee substitute would impose a 6-year moratorium), and will establish an advisory commission on electronic commerce to study the issue and make recommendations during that moratorium.

The Bumpers amendment would require any seller of tangible personal property via the Internet, who sells such property to a person in another State and who does not collect and remit all applicable State and local taxes due, to prominently display the following notice "on every other form" available to a purchaser or prospective purchaser: "NOTICE REGARDING TAXES: You may be required by your State or local government to pay sales or use tax on this purchase. Such taxes are imposed in most States. Failure to pay such taxes could result in civil or criminal penalties. For information on your tax obligations, contact your State taxation department." Failure to display the notice when required would result in a fine of \$100 for each failure.

Debate was limited by unanimous consent. After debate, Senator Gregg moved to table the Bumpers amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The purpose of this bill is to impose a moratorium on new Internet taxes while a commission examines ways in which to treat

(See other side)

YEAS (71)			NAYS (27)		NOT VOTING (2)	
Republicans (52 or 95%)	Democrats (19 or 44%)		Republicans (3 or 5%)	Democrats (24 or 56%)	Republicans (0)	Democrats (2)
Abraham	Hutchinson	Akaka	Bennett	Breaux		Glenn ²
Allard	Hutchison	Baucus	Gorton	Bryan		Moynihan ²
Ashcroft	Jeffords	Biden	Inhofe	Bumpers		
Bond	Kempthorne	Bingaman		Byrd		
Brownback	Kyl	Boxer		Cleland		
Burns	Lott	Dodd		Conrad		
Campbell	Lugar	Feinstein		Daschle		
Chafee	Mack	Kerrey		Dorgan		
Coats	McCain	Kerry		Durbin		
Cochran	McConnell	Kohl		Feingold		
Collins	Murkowski	Lautenberg		Ford		
Coverdell	Nickles	Leahy		Graham		
Craig	Roberts	Lieberman		Harkin		
D'Amato	Roth	Moseley-Braun		Hollings		
DeWine	Santorum	Murray		Inouye		
Domenici	Sessions	Reid		Johnson		
Enzi	Shelby	Robb		Kennedy		
Faircloth	Smith, Bob	Torricelli		Landrieu		
Frist	Smith, Gordon	Wyden		Levin		
Gramm	Snowe			Mikulski		
Grams	Specter			Reed		
Grassley	Stevens			Rockefeller		
Gregg	Thomas			Sarbanes		
Hagel	Thompson			Wellstone		
Hatch	Thurmond					
Helms	Warner					

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

discriminate against Internet businesses; we will not. We urge the rejection of this amendment.

Those opposing the motion to table contended:

Forty-five States in America have sales or use taxes on goods that are sold to their residents through interstate commerce. The Supreme Court has ruled that they may not force the businesses that sell those goods to collect taxes for them, but that does not mean that their residents do not owe the money. Every year, many people are very unpleasantly surprised when State tax authorities show up at their doors to collect taxes on their interstate purchases. This problem has long existed for mail-order catalog sales, and now, as the Internet grows, it is threatening to become an even bigger problem with Internet sales. We can help nip it in the bud simply by requiring Internet sales to warn people that they may well have to pay taxes on their purchases. If we vote against this amendment, it will be the same as saying that we know better than the State governments that passed those taxes. Our colleagues have complained that we did not apply this amendment to mail-order companies and other forms of Interstate commerce. Unfortunately, we could not, because that would have made the amendment out of order because it would have made its scope too broad. In our opinion, though, just because the rules prevent us from addressing the whole problem is no excuse for not addressing a part of the problem. We therefore urge our colleagues to accept this amendment.

VOTE NO.
